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## Czech Republic

## Grain and Feed

# Czech Government Opens Duty Free Import Quota 2004

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**Report Highlights:**

On February 5, the Ministry of Agriculture issued a restriction on wheat exports until May 1, 2004--the date the Czech Republic joins the EU. The Ministry also plans to release 400,000 MT of wheat from its strategic reserves and has announced a duty-free import quota for 300,000 MT of milling wheat until April 30, 2004 (so far 24,000 MT have been imported). This duty-free access provides an immediate opportunity for U.S. exporters.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Vienna [AU1]  
[EZ]

On February 5, the Czech Ministry of Agriculture announced three measures that would stabilize the wheat market in the Czech Republic.

The first measure includes a restriction on grain exports until May 1, 2004--the date the Czech Republic joins the EU. The limits include: 20,000 MT for wheat; 100,000 MT for barley; 20,000 MT for corn, and 35,000 MT for wheat products.

The second measure allows for the duty free import of 300,000 MT of milling wheat. So far only 24,000 MT of milling wheat has been imported due to high prices abroad.

The third measure allows the release of 400,000 MT of wheat from strategic reserves. So far the government released 140,000 MT of feed wheat that was sold at 2,800 CZK/MT (USD 108/MT). The remaining 260,000 MT of feed wheat will be released and sold at an average price of 3900 CZK/MT (USD \$145).

There is an immediate opportunity for wheat exports from the United States to the Czech Republic.

Background: Last year's harvest of 5.7 million MT of grains was the lowest since 1970, a result of bad weather. Since prices abroad are higher than domestic prices, over 85,000 MT (\$13 million) of wheat was exported between August and December 2003 (destinations include Germany, Romania, Ukraine, Switzerland, Slovenia, Slovakia, Austria and Bosnia and Herzegovina). Currently there is a shortage of 400,000 MT of feed wheat in the Czech market.

(Exchange rate: 1\$ = 26 CZK)